



STATE OF WASHINGTON

PUBLIC DISCLOSURE COMMISSION

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TO: Members, Public Disclosure Commission

FROM: Doug Ellis
Assistant Director

DATE: June 20, 2006

SUBJECT: Public Hearing and Possible adoption of Amendment to WAC 390-37-090
Draft Language for WACs 390-05-522 and 390-16-050

Public Hearing

The following proposed rule amendment is presented as a continuation of the rule making activity initiated at your February 23, 2006 meeting.

Proposed amendment of **WAC 390-37-090 Informal settlement – Cases resolvable by stipulation prior to an enforcement hearing (adjudicative proceeding), or by other alternative dispute mechanisms.** This rule amendment reflects the Commission's intent to receive stipulated agreements involving civil penalties prior to an adjudicative proceeding. Stipulations shall be provided by 4:00 p.m. the business day preceding a Commission hearing. See attached.

Action by the Commission: Staff is requesting the Commission approve the proposed language in WAC 390-37-090. If approved, the new proposed language will be filed with the Code Reviser's Office and will become effective 31 days after filing.

Draft Language

The following draft rule and draft rule amendment are presented as a continuation of the rule making activity initiated at your May 31, 2006 when the Commission adopted these rules on an emergency basis. We are now proceeding with the process for permanent adoption of the rules.

I. WAC 390-05-522 Place of business – Definition. See attached.

An out-of-state political committee must disclose contributions in excess of \$25 it receives from Washington residents or corporations having a place of business Washington.

In addition, Chapter 348 requires the reporting of the name and address of each corporation residing outside the state of Washington which has made one or more contributions in the aggregate of more than \$2,500 during the current calendar year.

In some cases, a corporation residing (headquartered) in say Florida will have retail outlets in Washington (e.g., Chicos). If this company contributes to an out-of-state political committee active in Washington, is the committee required to report Chicos' contributions at the \$25 or \$2,500 threshold?

In order to clarify this issue, staff is proposing the Commission define "a place of business in the state of Washington" for purposes of the \$25 threshold [RCW 42.17.093(1)(f)] to be corporations that are headquartered, or have a primary place of business, in Washington.

The Commission unanimously approved this same language as an emergency rule last month.

II. WAC 390-16-050 Forms for contributions and expenditures of out-of-state political committees. See Attached.

This rule amends PDC form C-5 to reflect the changes specified in the session law. These changes include:

1. The disclosure of the name, address and employer of each person or corporation residing outside the state of Washington who has contributed \$2,500 or more to the out-of-state committee during the current calendar year;
2. Changing the due date from the 20th of the month to the 10th of the month for activity in the previous month;
3. Removing the exemption for federal PACs filing with the Federal Election Commission and including reference to federal PACs in the filing instructions; and
4. Applying the definition of "place of business in Washington state" pursuant to WAC 390-05-522.

The Commission unanimously approved this same language as an emergency rule last month.

Action by the Commission: Staff is requesting the Commission approve the draft language of WAC 390-05-522 and draft amendments to WAC 390-16-050. If approved, the draft language will be filed with the Code Reviser's Office and a public hearing will be scheduled during an abbreviated teleconference meeting in August.